



MEMORANDUM

TO: Seattle City Council Libraries, Utilities, and Center Committee

FROM: Kerry Smith

DATE: November 8, 2013

RE: Cornish College of the Art Lease of the Playhouse at Seattle Center

This legislation authorizes Seattle Center to execute a twenty year lease agreement with Cornish College of the Arts for the Seattle Center Playhouse. Cornish will use the space as a learning environment for theatrical, music, and dance performances, visual arts, lectures, demonstrations of art forms, administrative offices, rehearsals, and related theater functions, and will make the space available for short term rental to other organizations.

This legislation is the result of a Request for Proposal (RFP) process for a new long-term tenant for the Playhouse. Intiman Theatre operated the Playhouse successfully for many years. In recent years the organization experienced financial challenges and was unable to meet their financial obligations, resulting in Seattle Center terminating their long-term lease agreement. Prior to issuing the RFP, a focus group, with representation from a variety of local artistic and public arts organizations as well as philanthropic funders, provided comments regarding the goals and criteria by which proposals should be evaluated.

The RFP Review Panel (a subcommittee of the Seattle Center Advisory Commission) that evaluated the responses unanimously recommended that Cornish College of the Arts be selected as the next Playhouse tenant. During the past year Cornish has leased the Playhouse on an interim basis.

Lease Terms

- The lease term is 20 years with a City option to terminate the lease at 10 years. If this option is exercised, the City will pay for relocation costs of up to \$100,000 and up to \$250,000 of the un-depreciated portion, if any, of Cornish's capital investment.
- Rent is \$160,000 per year, consisting of \$80,000 in cash and \$80,000 in Public Benefit/In-Kind rent. Public Benefit/In-Kind rent can be paid through Cornish faculty, alumni, staff and/or students providing free public performances at Seattle Center, reduced rental rates charged to nonprofit organizations or incubatory community based artistic organizations and the provision of programs benefitting the public.
- Cornish will make a minimum investment of \$1,000,000 in capital improvements in the facility over the lease term and these improvements will become City property.
- Cornish will sublease the building to other users for no less than 100 performances per year and will ensure that the facility is available to incubatory community based arts organizations at a reduced fee for 6 weeks per year.
- Cornish will be responsible for operation and maintenance of the building interior and the City will be responsible for maintenance of the roof and exterior walls.
- The City will provide a tenant improvement allowance of up to \$50,000 to reimburse

Cornish for the acquisition of a fire curtain for the Playhouse.

- Folklife and Bumbershoot will continue to utilize the Playhouse and Cornish anticipates that Intiman Theatre will be a subtenant renting office space and producing a summer theatre festival at the Playhouse.

Cornish is the premier accredited arts college in the Northwest and through the public benefits portion of the lease and Cornish' interest in fostering the arts in the community it will be possible to provide creative opportunities for the region's artistic organizations to use one of the area's best facilities. Cornish has a long history and a bright future of contribution to the arts in our community, and we are pleased to welcome them as a resident tenant of Seattle Center.

cc: Robert Nellams, Director, Seattle Center
Greg Shiring, City Budget Office